

CAPITAL IMPROVEMENTS PROGRAM

Introduction

The Capital Improvements Program, or CIP, is a financing and construction/acquisition plan for projects that require significant capital investment. The CIP, which is updated annually and submitted to and adopted by City Council, specifies and describes the City's capital project schedules and priorities for the ten years immediately following Council adoption.

For each capital project, the CIP includes a variety of information, including a project description and the service need it addresses, a proposed timetable, proposed funding levels and sources and, if applicable, estimated ongoing operating costs. For projects already underway, the description also notes the remaining portion of the project's budget.

Generally, capital improvements projects consist of purchasing, constructing or renovating structures and/or acquiring land that have a total cost of at least \$100,000 and an estimated useful life of at least ten years. Common CIP projects include new or improved sidewalks, roads, neighborhood renewal projects and new City facilities, such as recreation centers, fire stations and water treatment facilities.

CIP Preparation

Along with their annual operating budget requests, City departments submit capital projects for consideration and inclusion in the CIP. These requests are reviewed by staff from the City Manager's Office and the Budget & Evaluation Department.

For FY 11-12, projects requesting the use of authorized bonds were scored by Budget and Evaluation staff based on a list of criteria to determine which projects are most closely tied with the goals and high-level indicators as set in the City's Management, Accountability, and Performance (MAP) program. The results of this scoring process were then presented to City departments for feedback. In the future these

scores will be a factor in determining the funding schedule for projects and which projects appear on bond referenda.

After projects are reviewed by City staff, a preliminary CIP is presented to the City Council and the Planning Board as part of the annual budget review. A Final CIP is presented to the City Council in June and is adopted concurrently with the Annual Operating Budget.

Neighborhood organizations are typically invited to submit projects for consideration in the Capital Improvements Program as part of the Neighborhood Small Projects Program. Submissions are forwarded to the appropriate City department(s) to determine if they are feasible and to see that they are not contrary to current City policies. The projects are then reviewed by an Interdepartmental Team consisting of representatives from several City departments as well as citizen representatives. The recommendations and comments returned by the review team are sent to the requesting organization and presented to the City Council and Planning Board. Funding for this program was eliminated during the FY 10-11 budget process, however it was reinstated in July of FY 10-11. This changed the timing of the process such that project requests submitted in the fall are for the funding approved during the previous budget process.

Relationship to Annual Operating Budget

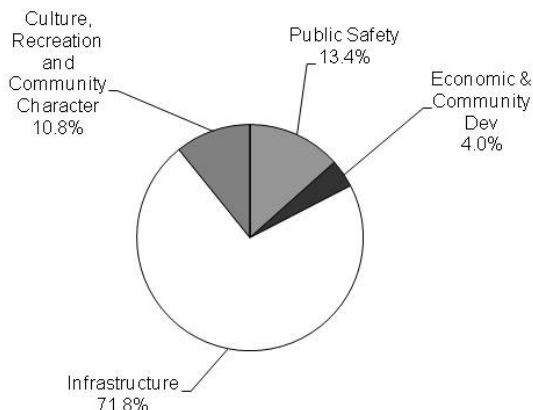
Some CIP projects are funded through annual operating funds, such as the General Fund (Capital Reserve Fund) and the Water Resources Fund. In these cases, the CIP and the Annual Operating Budget are directly linked as CIP projects become authorized through the adoption of the Annual Operating Budget. Projects funded through debt financing (typically voter authorized bonds) also impact the operating budget through ongoing debt service expense. Finally, some completed CIP projects will directly impact the operating budget in that they will require ongoing expenses for staff and other operating costs. Fire stations and recreation facilities are good examples.

Expenditure Overview

The FY 2012 – FY 2021 Capital Improvements Program (CIP) totals **\$706,058,874**.

Highlights

Expenditures by Result Area



The Capital Improvement Program document has been restructured to reflect the five Result Areas set forth in the City's MAP program. Under the new structure, the old Environmental Protection and Transportation Service Areas as well as the Coliseum and Engineering and Inspections departments have been grouped under Infrastructure. Making up 71.8% of total proposed expenditures in the CIP, Infrastructure is the largest of the Result Areas.

Within Infrastructure, Water Resources projects capital expenditures to total \$280.6 million over the next ten years, representing 55.4% of total Infrastructure projects. Water and sewer projects planned to be underway in FY 11-12 include the Hilltop Road Lift Station Replacement, Rock Creek Lift Station and Force Main, Peach Orchard Sewer Upgrade, and the Pleasant Garden Loop Water Line. These projects are in addition to ongoing water and sewer line expansion/renovation and various projects at the water and wastewater treatment plants.

Transportation projects totaling \$175.6 million make up 34.6% of the Infrastructure result area. Projects planned for FY 11-12 include design work

for the Cone/Nealtown Road extension and improvements to Merritt Drive, High Point Road, Lake Jeanette Road, S. Elm-Eugene Street, and Alamance Church Road. There is also funding programmed for general sidewalk improvements.

Field Operations has programmed \$12.5 million in Landfill projects and \$30.0 million for street resurfacing and maintenance projects over the next ten years. Other Infrastructure requests include \$6.9 from Engineering and Inspections for facilities maintenance and \$1.3 million for the Coliseum projects.

Public Safety is the second largest Result Area in terms of project requests, with \$94.7 million in projects making up 13.4% of the total CIP. Most of the Public Safety projects (\$48.7 million) are Fire Stations. Construction should begin on the Old Randleman Road Station in FY 11-12. Funding has been approved for construction of four new stations and the upgrade of two others. In addition, the CIP includes nine new or replacement stations to appear on a future referendum. Another major Public Safety project is the 800MHz radio system upgrade and replacement for Guilford Metro 911.

Culture, Recreation, and Community Character is the next largest Result Area, containing \$76.3 million in Parks and Recreation and Libraries projects over the next 10 years. Of the \$60 million programmed for Parks and Recreation, \$45.2 million are unfunded projects to appear on a future referendum. Libraries has \$16.3 million in projects programmed, however of that, only \$3 million (for the Lake Jeanette Library) has been approved. The remaining projects may appear on a future referendum.

The final Result Area represented in the CIP is Economic and Community Development. With \$28.4 million in projects it is the smallest of the Result Areas (General Government has no projects programmed). This Service Area is made up mostly of grant funded Planning and Community Development projects, including Brownfields Redevelopment, Ole Asheboro Neighborhood Revitalization and South Elm Street Redevelopment. This Result Area also includes the Economic Development Infrastructure Improvement Bonds that are managed from the City Manager's Office.

Funding Overview

The Capital Improvements Program relies on a variety of funding sources to accomplish its many efforts. These include debt financing; enterprise funding; general fund revenues; state shared revenues; and grants from the state government, federal government, or private sources.

Highlights

The City currently has approximately \$190 million in authorized bonds remaining to be issued. In response to City Council's directive to maintain the current level of debt service payments, the \$35 million in bonds that had been scheduled to be issued in FY 11-12 has been reduced to \$30 million. This \$30 million includes \$8.265 million for the Natural Science Center, \$8.25 million for street improvements, \$6 million for the Aquatics Center, \$4.55 for the Old Randleman Road Fire Station and Land for the Reedy Fork Station, and \$2 million in Economic Development Bonds. The remaining \$935,000 will be used for Parks and Recreation projects and Housing Loans for Energy Efficiency/Affordable Housing. The City anticipates issuing bonds every two years through FY 17-18 and again in FY 18-19 until the \$190 million in authorized bonds has been exhausted.

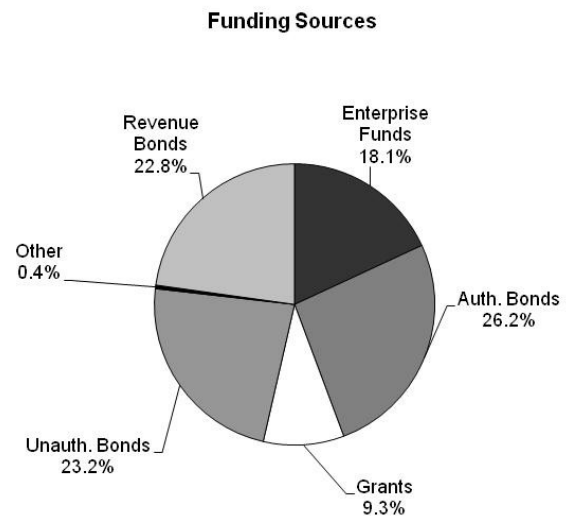
Given the projection that it will take eight years to issue the remaining approved bonds, staff does not anticipate funding to be available from a future bond referendum until FY 16-17 or later. Therefore, most of the project requests for Unauthorized Bonds have been moved to the final five year period of the document (FY 16-21). However, this CIP does include \$12.5 million in Unauthorized Bonds to address regulatory requirements at the Landfill. Two-thirds bonds is a potential funding source for meeting these needs.

As noted earlier, the City will undertake a variety of Water Resources projects over the next ten years. While most of these projects are funded through revenue bonds (with debt payments funded through departmentally generated revenues), the City will continue its efforts to fund a significant portion of projects using Pay-As-You-Go funding (Enterprise Funds). Water Resources expects to

fund nearly \$120 million in projects over the next ten years with Enterprise Funds, allowing the department to save on interest expenses and improve its position with bond rating agencies. When combined, Revenue Bonds and Enterprise Funds constitute the largest source of funds in the CIP at \$289.3 million or 41.0% of total funding.

Grant revenue also plays a role in funding capital projects in several program areas. This includes support for Planning and Community Development efforts, park development, and Transportation projects. The Grants revenue category equates to \$65.8 million or 9.3% of the total CIP.

In previous years, Street and Sidewalk Funds, State/Powell Bill Funds, and the General Fund were significant funding sources for CIP projects. Over time, however; Powell Bill funding has been shifted to cover additional operating expenses in the City and the revenue stream for Street and Sidewalk funding has gone away.



FUNDING LEVELS AND SOURCES FOR MAJOR CAPITAL IMPROVEMENTS PROJECTS

Following is a list of some more significant authorized Capital Improvements Projects that will be active during FY 11-12 and FY 12-13. This list does not include projects planned for future bond referendums. Funding and expense details for these and other projects are provided in the FY 2012-2021 Capital Improvements Program.

PROJECT TITLE/DESCRIPTION	BALANCE OF PROJECT FUNDING	FUNDING SOURCE
<u>Culture, Recreation and Comm. Development</u>		
Barber Park Development — Phase II	3,606,820	Grants and Bonds
Gateway Gardens Development—Phase II	500,000	Grants and Bonds
Neighborhood Park Renovations	310,575	Authorized Bonds
<u>Economic and Community Development</u>		
Housing Projects—Housing Development	4,000,000	Grants and Bonds
Housing Projects—Housing Rehabilitation	5,490,000	Grants
Housing Projects—Lead Paint Remediation	6,240,000	Grants
Economic Development Infrastructure Improvements	4,000,000	Authorized Bonds
East Market Street Corridor Development	719,412	Grants and Bonds
Ole Asheboro Neighborhood Revitalization	2,135,000	Grants/Other
South Elm Street Redevelopment	750,000	Various
Willow Oaks Neighborhood Revitalization	1,200,000	Grants
<u>Infrastructure</u>		
Creek Ridge Road	6,444,292	Authorized Bonds
Downtown Greenway	1,130,000	Authorized Bonds
Hornaday Road/Chimney Rock Road Connection	2,611,036	Grants and Bonds
New Garden Road Phase II	1,632,428	Authorized Bonds
High Point Rd/Lee St to I-40 Bus	7,235,027	Authorized Bonds
Horsepen Creek Rd/New Garden Rd to Battleground Ave	26,300,000	Authorized Bonds
Merritt Drive	5,000,000	Authorized Bonds
Lake Jeanette Road	1,904,650	Federal Stimulus
S. Elm-Eugene St – J.J. Drive to Vandalia Road	1,645,514	Federal Stimulus
Peach Orchard Sewer Upgrade	4,608,000	Enterprise Funds
Sanitary Sewer Rehabilitation	26,250,000	Enterprise Funds
TZO – Biological Nutrient Removal	76,589,500	Revenue Bonds
TZO – Fluid-Bed Incinerator	2,000,000	Revenue Bonds
Water Line Rehabilitation	16,750,000	Enterprise Funds
Pleasant Garden Loop Waterline	1,100,000	Enterprise Funds
Intermediate Rock Creek Lift Station and Force Main	8,009,704	Revenue Bonds
<u>Public Safety</u>		
Old Randleman Rd. Fire Station	3,876,293	Authorized Bonds
Land for Fire Stations	4,702,764	Authorized Bonds

MAJOR CAPITAL IMPROVEMENTS PROJECTS – OPERATING BUDGET IMPACT

The following project(s) active in FY 11-12 and FY 12-13 will have an increasing effect on the annual operating budget. These projected operating budget impacts are listed below.

<u>Project #1</u>	
Project Title	Old Randleman Rd Fire Station
Estimated Completion Date	FY 11-12
Projected Impact on FY 10-11 Operating Budget	\$0
Projected Impact on FY 11-12 Operating Budget	\$2,209,934

**CITY OF GREENSBORO
CAPITAL IMPROVEMENTS PROGRAM SUMMARY
FY 2012—2021**

EXPENDITURES	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-21	TOTAL
Culture, Recreation, & Comm. Character	1,539,000	0	4,627,875	584,952	4,448,414	65,075,815	76,276,056
Economic & Community Devt	8,951,408	4,936,000	5,555,000	3,235,000	2,555,000	3,169,412	28,401,820
General Government	0	0	0	0	0	0	0
Infrastructure	96,878,787	47,919,814	102,020,763	54,053,400	79,152,457	126,881,824	506,907,045
Public Safety	10,626,293	0	4,288,351	0	5,142,776	74,616,533	94,673,953
TOTAL	117,995,488	52,855,814	116,491,989	57,873,352	91,298,647	269,743,584	706,258,874

FUNDING SOURCES	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-21	TOTAL
General Fund	0	0	0	0	0	0	0
Enterprise Funds	33,336,785	18,490,000	15,610,000	16,910,000	20,010,000	23,710,000	128,066,785
Grants	38,308,179	6,645,970	5,804,700	4,105,000	3,455,000	7,455,000	65,773,849
Authorized Bonds	32,440,175	2,714,940	45,195,553	584,952	29,502,447	74,535,970	184,974,037
Unauthorized Bonds	7,456,081	0	5,055,136	0	0	150,993,202	163,504,419
Unauthorized Bonds 2	0	0	0	0	0	0	0
Revenue Bonds	4,442,000	24,688,904	44,753,400	36,143,400	38,231,200	13,000,000	161,258,904
Other	2,012,268	316,000	73,200	130,000	100,000	49,412	2,680,880
TOTAL	117,995,488	52,855,814	116,491,989	57,873,352	91,298,647	269,743,584	706,258,874

CAPITAL PROJECT STATUS REPORT - MARCH 30, 2011

The following information is provided by the City's Financial and Administrative Services Department and provides a status for various capital projects that have active appropriations.

	<u>APPROPRIATIONS (AS AMENDED)</u>	<u>TOTALS</u>	<u>UNCOLLECTED/ UNENCUMBERED BALANCE</u>
Street & Sidewalk Capital Project (401):			
Receipts	\$ 21,477,626	\$ 2,536,175	\$ 18,941,451
Disbursements/Obligations	21,477,626	3,933,429	17,544,197
State Highway Capital Project (402)			
Receipts	7,686,542	7,443,773	242,769
Disbursements/Obligations	7,686,542	4,411,740	3,274,802
General Capital Improvements (410)			
Receipts	3,177,253	3,213,536	(36,283)
Disbursements/Obligations	3,177,253	2,663,180	514,073
Public Improvement Bond Fund Series 90,92,94 (431)			
Receipts	92,635,070	92,635,070	
Disbursements/Obligations	92,635,070	92,635,070	
Public Improvement Bond Series 98A (436) Various			
Receipts	29,286,000	29,286,000	
Disbursements/Obligations	29,286,000	29,246,157	39,843
Public Improvement Bond Series 03 (441) Streets			
Receipts	76,803,194	76,952,606	(149,412)
Disbursements/Obligations	76,803,194	62,030,537	14,772,657
Public Improvement Bond Series 03 (442) Public Transp.			
Receipts	2,000,000	2,028,883	(28,883)
Disbursements/Obligations	2,000,000	1,550,122	449,878
Public Improvement Bond Series 03 (443) P&R			
Receipts	34,200,000	34,584,131	(384,131)
Disbursements/Obligations	34,200,000	29,949,653	4,250,347
Public Improvement Bond Series 03 (446) Law Enforcement			
Receipts	7,080,000	7,080,000	
Disbursements/Obligations	7,080,000	7,080,000	
Public Improvement Bond Series 05 (448) Redevelopment			
Receipts	2,845,000	3,176,659	(331,659)
Disbursements/Obligations	2,845,000	2,543,588	301,412
Library Facilities Bond Fund Series 08 (451)			
Receipts	8,612,000	5,129,375	3,482,625
Disbursements/Obligations	8,612,000	4,820,437	3,791,563
Historical Museum Bond Fund Series 08 (452)			
Receipts	5,300,000	5,315,901	(15,901)
Disbursements/Obligations	5,300,000	4,491,981	808,019
Parks & Recreation Bond Fund Series 08 (453)			
Receipts	5,000,000		5,000,000
Disbursements/Obligations	5,000,000		5,000,000
Economic Development Bond Fund Series 08 (454)			
Receipts	10,000,000	6,231,171	3,768,829
Disbursements/Obligations	10,000,000	3,916,830	6,083,170

CAPITAL PROJECT STATUS REPORT - MARCH 30,2011

(Continued)

	APPROPRIATIONS (AS AMENDED)	TOTALS	UNCOLLECTED/ UNENCUMBERED BALANCE
Fire Station Bond Fund Series 08 (455)			
Receipts	24,500,000	10,578,362	13,921,638
Disbursements/Obligations	24,500,000	10,547,800	13,952,200
Public Buildings Bond Fund Series 08 (461)			
Receipts	1,000,000	1,000,008	(8)
Disbursements/Obligations	1,000,000	945,329	54,671
War Memorial Stadium Bond Fund Series 08 (462)			
Receipts	1,500,000	1,500,104	(104)
Disbursements/Obligations	1,500,000	89,760	1,410,240
Street Improvements Bond Fund Series 10 (471)			
Receipts	134,000,000	2,898,264	131,101,736
Disbursements/Obligations	134,000,000	77,739	133,922,261
Parks & Recreation Bond Fund Series 10 (472)			
Receipts	8,000,000	1,036,595	6,963,405
Disbursements/Obligations	8,000,000	488,180	7,511,820
Housing Bond Fund Series 10 (473)			
Receipts	1,000,000		1,000,000
Disbursements/Obligations	1,000,000		1,000,000
Nat Science Ctr Bond Fund Series 10 (474)			
Receipts	20,000,000	1,835,115	18,164,885
Disbursements/Obligations	20,000,000	1,735,000	18,265,000
Water Resources Capital Improvements Fund (503)			
Receipts	64,609,161	63,717,362	891,799
Disbursements/Obligations	64,609,161	56,063,200	8,545,961
County Construction Projects (504)			
Receipts	13,811,980	4,890,494	8,921,486
Disbursements/Obligations	13,811,980	6,938,404	6,873,576
Stormwater Capital Improvements (506)			
Receipts	10,837,296	11,426,256	(588,960)
Disbursements/Obligations	10,837,296	3,702,805	7,134,491
Water Resources Bond Series 2007 (512)			
Receipts	49,500,000	49,731,651	(231,651)
Disbursements/Obligations	49,500,000	46,636,291	2,863,709
Water Resources Bond Series 2009 (513)			
Receipts	55,078,440	55,192,549	(114,109)
Disbursements/Obligations	55,078,440	53,615,625	1,462,815
Water Resources Bond Series 10 (514)			
Receipts	21,000,000		21,000,000
Disbursements/Obligations	21,000,000	20,965,455	34,545
P&R Fac. Bond Fund-Aquatics Center 10 (525)			
Receipts	19,547,790	6,514,518	13,033,272
Disbursements/Obligations	19,547,790	19,124,123	423,667
Solid Waste Capital Improvement (554)			
Receipts	6,242,050	6,373,810	(131,760)
Disbursements/Obligations	6,242,050	5,899,349	342,701